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**DEPARTMENT OF COMMERCE**

**International Trade Administration**

**[A-580-870]**

**Certain Oil Country Tubular Goods from the Republic of Korea: Final Results of Antidumping Duty Administrative Review; 2016-2017**

**AGENCY:** Enforcement and Compliance, International Trade Administration, Department of Commerce.

**SUMMARY:** The Department of Commerce (Commerce) determines that SeAH Steel Corporation (SeAH) and NEXTEEL Co., Ltd. (NEXTEEL), producers/exporters of certain oil country tubular goods (OCTG) from the Republic of Korea (Korea), sold subject merchandise in the United States at prices below normal value (NV) during the period of review (POR) September 1, 2016, through August 31, 2017.

**DATES:** Applicable **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

**FOR FURTHER INFORMATION CONTACT:** Davina Friedmann or Julie Geiger, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0698 or (202) 482-2057, respectively.

**SUPPLEMENTARY INFORMATION:**

Background

On October 11, 2018, Commerce published the *Preliminary Results* of this administrative review.<sup>1</sup> We invited interested parties to comment on the *Preliminary Results*. Between February 12 and February 19, 2019, Commerce received timely filed briefs and rebuttal briefs from various interested parties.<sup>2</sup>

Commerce exercised its discretion to toll all deadlines affected by the partial federal government closure from December 22, 2018, through the resumption of operations on January 29, 2019.<sup>3</sup> If the new deadline falls on a non-business day, in accordance with Commerce's practice, the deadline will become the next business day. On March 11, 2019, we extended the deadline for the final results.<sup>4</sup> The revised deadline for the final results is now May 17, 2019.

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<sup>1</sup> See *Certain Oil Country Tubular Goods from the Republic of Korea: Preliminary Results of Antidumping Duty Administrative Review; 2016-2017*, 83 FR 51442 (October 11, 2019) (*Preliminary Results*) and accompanying Decision Memorandum (Preliminary Decision Memorandum).

<sup>2</sup> See, respectively, Letter from Maverick, "Certain Oil Country Tubular Goods from the Republic of Korea: Case Brief of Maverick Tube Corporation and Tenaris Bay City, Inc.," dated February 12, 2019; Letter from U.S. Steel, "Oil Country Tubular Goods from the Republic of Korea: Case Brief of United States Steel Corporation," dated February 12, 2019; Letter from SeAH, "Administrative Review of the Antidumping Order on Oil Country Tubular Goods from Korea – Case Brief of SeAH Steel Corporation," dated February 12, 2019; Letter from NEXTEEL, "Oil Country Tubular Goods from the Republic of Korea: NEXTEEL's Case Brief," dated February 12, 2019; and Letter from AJU Besteel, "Certain Oil Country Tubular Goods from the Republic of Korea – Case Brief," dated February 12, 2019; Letter from ILJIN, "Oil Country Tubular Goods from the Republic of Korea: Case Brief," dated February 12, 2019; Letter from Husteel, "Oil Country Tubular Goods from the Republic of Korea, 9/1/2016-8/31/2016 Administrative Review, Case No. A-580-870: Case Brief," dated February 12, 2019; and Letter from Hyundai Steel, "Oil Country Tubular Goods from the Republic of Korea: Hyundai Steel's Case Brief," dated February 12, 2019; see also respectively, Letter from Maverick, "Certain Oil Country Tubular Goods from the Republic of Korea: Rebuttal Brief of Maverick Tube Corporation and Tenaris Bay City, Inc.," dated February 19, 2019; Letter from U.S. Steel, "Oil Country Tubular Goods from the Republic of Korea: Rebuttal Brief of United States Steel Corporation," dated February 19, 2019; Letter from SeAH, "Administrative Review of the Antidumping Order on Oil Country Tubular Goods from Korea – Rebuttal Brief of SeAH Steel Corporation," dated February 19, 2019; Letter from NEXTEEL, "Oil Country Tubular Goods from the Republic of Korea: NEXTEEL's Rebuttal Brief," dated February 19, 2019.

<sup>3</sup> See Memorandum to the Record from Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive duties of the Assistant Secretary for Enforcement and Compliance, "Deadlines Affected by the Partial Shutdown of the Federal Government," dated January 28, 2019. All deadlines in this segment of the proceeding have been extended by 40 days.

<sup>4</sup> See Memorandum, "Certain Oil Country Tubular Goods from the Republic of Korea: Extension of Time Limit for Final Results of the 2016/17 Antidumping Duty Administrative Review," dated March 11, 2019.

These final results cover 33 companies.<sup>5</sup> Based on an analysis of the comments received, we have made changes to the weighted-average dumping margins determined for the respondents. The weighted-average dumping margins are listed in the “Final Results of Review” section, below. Commerce conducted this review in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act).

#### Scope of the *Order*<sup>6</sup>

The merchandise covered by the *Order* is certain OCTG, which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the *Order* also covers OCTG coupling stock. For a complete description of the scope of the *Order*, *see* the Issues and Decision Memorandum.<sup>7</sup>

#### Analysis of Comments Received

All issues raised in the case and rebuttal briefs filed by parties in this review are addressed in the Issues and Decision Memorandum, which is hereby adopted with this notice.

The issues are identified in Appendix I to this notice. The Issues and Decision Memorandum is a

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<sup>5</sup> The 33 companies consist of two mandatory respondents, three companies for which we made a final determination of no shipments, and 28 companies not individually examined.

<sup>6</sup> *See Certain Oil Country Tubular Goods from India, the Republic of Korea, Taiwan, the Republic of Turkey, and the Socialist Republic of Vietnam: Antidumping Duty Orders; and Certain Oil Country Tubular Goods from the Socialist Republic of Vietnam: Amended Final Determination of Sales at Less Than Fair Value*, 79 FR 53691 (September 10, 2014) (*Order*).

<sup>7</sup> *See* Memorandum, “Issues and Decision Memorandum for the Final Results of the 2015-2016-2017 Administrative Review of the Antidumping Duty Order on Certain Oil Country Tubular Goods from the Republic of Korea,” dated concurrently with this notice (Issues and Decision Memorandum).

public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <https://access.trade.gov> and is available to all parties in the Central Records Unit, room B8024 of the main Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/index.html>. The signed Issues and Decision Memorandum and the electronic version of the Issues and Decision Memorandum are identical in content.

#### Changes Since the Preliminary Results

Based on our analysis of the comments received and our findings at verification, we made certain changes to the margin calculations for SeAH and NEXTEEL. For a discussion of these changes, see the "Margin Calculations" section of the Issues and Decision Memorandum.

#### Final Determination of No Shipments

In the *Preliminary Results*, Commerce preliminarily determined that Samsung, Samsung C&T Corporation (Samsung C&T), and SeAH Besteel Corporation (SeAH Besteel) had no shipments during the POR.<sup>8</sup> Following publication of the *Preliminary Results*, we received no comments from interested parties regarding these companies. As a result, and because the record contains no evidence to the contrary, we continue to find that Samsung, Samsung C&T, and SeAH Besteel made no shipments during the POR. Accordingly, consistent with Commerce's practice, we will instruct U.S. Customs and Border Protection (CBP) to liquidate any existing

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<sup>8</sup> See *Preliminary Results*, 83 FR at 51442.

entries of merchandise produced by these three companies, but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.<sup>9</sup>

#### Rate for Non-Examined Companies

The statute and Commerce's regulations do not address the establishment of a rate to be applied to companies not selected for examination when Commerce limits its examination in an administrative review pursuant to section 777A(c)(2) of the Act. Generally, Commerce looks to section 735(c)(5) of the Act, which provides instructions for calculating the all-others rate in a market economy investigation, for guidance when calculating the rate for companies which were not selected for individual review in an administrative review. Under section 735(c)(5)(A) of the Act, the all-others rate is normally "an amount equal to the weighted average of the estimated weighted average dumping margins established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely {on the basis of facts available}."

For these final results, we calculated a weighted-average dumping margin that is not zero, *de minimis*, or determined entirely on the basis of facts available for SeAH and NEXTEEL. Accordingly, Commerce has assigned to the companies not individually examined (see Appendix II for a full list of these companies) a margin of 24.49 percent, which is the weighted average of NEXTEEL's and SeAH's calculated weighted-average dumping margins for these final results.

#### Final Results of Review

Commerce determines that the following weighted-average dumping margins exist for the period September 1, 2016 through August 31, 2017:

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<sup>9</sup> See, e.g., *Magnesium Metal from the Russian Federation: Preliminary Results of Antidumping Duty Administrative Review*, 75 FR 26922, 26923 (May 13, 2010), unchanged in *Magnesium Metal from the Russian Federation: Final Results of Antidumping Duty Administrative Review*, 75 FR 56989 (September 17, 2010).

Exporter or Producer	Weighted-Average Dumping Margins (percent)
NEXTEEL Co., Ltd.	32.24
SeAH Steel Corporation	16.73
Non-examined companies <sup>10</sup>	24.49

#### Disclosure

Commerce intends to disclose the calculations performed for these final results of review within five days of the date of publication of this notice in the *Federal Register*, in accordance with 19 CFR 351.224(b).

#### Assessment

Pursuant to section 751(a)(2)(C) of the Act and 19 CFR 351.212(b), Commerce shall determine, and CBP shall assess, antidumping duties on all appropriate entries of subject merchandise in accordance with the final results of this review. Commerce intends to issue assessment instructions to CBP 15 days after the date of publication of the final results of this administrative review in the *Federal Register*.

Where the respondent reported reliable entered values, we calculated importer- (or customer-) specific *ad valorem* rates by aggregating the dumping margins calculated for all U.S. sales to each importer (or customer) and dividing this amount by the total entered value of the sales to each importer (or customer).<sup>11</sup> Where Commerce calculated a weighted-average dumping margin by dividing the total amount of dumping for reviewed sales to that party by the total sales quantity associated with those transactions, Commerce will direct CBP to assess

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<sup>10</sup> See Appendix II for a full list of these companies.

<sup>11</sup> See 19 CFR 351.212(b)(1).

importer- (or customer-) specific assessment rates based on the resulting per-unit rates.<sup>12</sup> Where an importer- (or customer-) specific *ad valorem* or per-unit rate is greater than *de minimis* (i.e., 0.50 percent), Commerce will instruct CBP to collect the appropriate duties at the time of liquidation.<sup>13</sup> Where an importer- (or customer-) specific *ad valorem* or per-unit rate is zero or *de minimis*, Commerce will instruct CBP to liquidate appropriate entries without regard to antidumping duties.<sup>14</sup>

For the companies which were not selected for individual review, we will assign an assessment rate based on the methodology described in the “Rates for Non-Examined Companies” section, above.

Consistent with Commerce’s assessment practice, for entries of subject merchandise during the POR produced by SeAH, NEXTEEL, or the non-examined companies for which the producer did not know that its merchandise was destined for the United States, we will instruct CBP to liquidate unreviewed entries at the all-others rate if there is no rate for the intermediate company(ies) involved in the transaction.<sup>15</sup>

As noted in the “Final Determination of No Shipments” section, above, Commerce will instruct CBP to liquidate any existing entries of merchandise produced by but exported by other parties, at the rate for the intermediate reseller, if available, or at the all-others rate.

#### Cash Deposit Requirements

The following cash deposit requirements will be effective for all shipments of subject merchandise entered, or withdrawn from warehouse, for consumption on or after the publication

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<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> See 19 CFR 351.106(c)(2).

<sup>15</sup> For a full discussion of this practice, see *Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003).

date of the final results of this administrative review, as provided for by section 751(a)(2)(C) of the Act: (1) the cash deposit rates for the companies listed in these final results will be equal to the weighted-average dumping margins established in the final results of this review; (2) for merchandise exported by producers or exporters not covered in this review but covered in a prior segment of this proceeding, the cash deposit rate will continue to be the company-specific rate published for the most recently completed segment in which the company was reviewed; (3) if the exporter is not a firm covered in this review or the original less-than-fair-value (LTFV) investigation, but the producer is, the cash deposit rate will be the rate established for the most recently completed segment of this proceeding for the producer of the subject merchandise; and (4) the cash deposit rate for all other producers or exporters will continue to be 5.24 percent,<sup>16</sup> the all-others rate established in the LTFV investigation. These cash deposit requirements, when imposed, shall remain in effect until further notice.

#### Notification to Importers

This notice serves as a final reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this POR. Failure to comply with this requirement could result in Commerce's presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

#### Notification to Interested Parties Regarding Administrative Protective Order

This notice also serves as the only reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3), which continues to govern

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<sup>16</sup> See *Certain Oil Country Tubular Goods from the Republic of Korea: Notice of Court Decision Not in Harmony with Final Determination*, 81 FR 59603 (August 30, 2016).



business proprietary information in this segment of the proceeding. Timely written notification of the return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing this notice in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.213(h).

Dated: May 17, 2019.

**Jeffrey I. Kessler,**

*Assistant Secretary*

*for Enforcement and Compliance.*

## **Appendix I**

### **List of Topics Discussed in the Issues and Decision Memorandum**

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Margin Calculations
- V. Rate for Non-Examined Companies
- VI. Discussion of the Issues

#### **General Issues**

- Comment 1: Particular Market Situation
- Comment 2: Calculation of Constructed Value Profit
- Comment 3: Differential Pricing

#### **SeAH-Specific Issues**

- Comment 4: Freight Revenue Cap
- Comment 5: Interest Income Offset
- Comment 6: Calculation of General and Administrative Expenses Incurred by SeAH's U.S. Affiliate
- Comment 7: Treatment of Cost Variances for a Single Production Order Produced During POR and Non-POR Periods
- Comment 8: Inventory Valuation Loss
- Comment 9: Penalties Expense

#### **NEXTEEL-Specific Issues**

- Comment 10: NEXTEEL-POSCO Affiliation
- Comment 11: Resales of Subject Merchandise
- Comment 12: Non-Prime Products
- Comment 13: Warranty Expense Calculation
- Comment 14: Reported Grade
- Comment 15: Suspended Production Losses
- Comment 16: Coil Scrap Offset
- Comment 17: Pipe Scrap Offset

- VIII. Recommendation

## Appendix II

### List of Companies Not Individually Examined

AJU Besteel Co., Ltd.  
BDP International  
Daewoo International Corporation  
Daewoo America  
Dong-A Steel Co. Ltd.  
Dong Yang Steel Pipe  
Dongbu Incheon Steel  
DSEC  
Erndtebruecker Eisenwerk and Company  
Hansol Metal  
Husteel Co., Ltd.  
HYSCO  
Hyundai RB  
Hyundai Steel Co., Ltd.  
Hyundai Steel Company<sup>17</sup>  
ILJIN Steel Corporation  
Jim And Freight Co., Ltd.  
Kia Steel Co. Ltd.  
KSP Steel Company  
Kukje Steel  
Kurvers  
POSCO Daewoo Corporation  
POSCO Daewoo America  
Steel Canada  
Sumitomo Corporation  
TGS Pipe  
Yonghyun Base Materials  
ZEECO Asia

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<sup>17</sup> On September 21, 2016, Commerce published the final results of a changed circumstances review with respect to OCTG from Korea, finding that Hyundai Steel Corporation is the successor-in-interest to Hyundai HYSCO for purposes of determining antidumping duty cash deposits and liabilities. *See Notice of Final Results of Antidumping Duty Changed Circumstances Review: Oil Country Tubular Goods from the Republic of Korea*, 81 FR 64873 (September 21, 2016). Hyundai Steel Corporation is also known as Hyundai Steel Company and Hyundai Steel Co. Ltd.

